

### REMARKS

In the Final Action dated November 10, 2004, claims 1-5 and 8-15 are pending and under consideration. Claims 1-5 and 8-15 are rejected under 35 U.S.C. §112, first paragraph.

This Response addresses the Examiner's rejection. Applicants therefore respectfully submit that the present application is in condition for allowance or at least in better condition for appeal. Favorable consideration of all pending claims is therefore respectfully requested.

Claims 1-5 and 8-15 are directed to methods of stimulating growth and differentiation of mammalian pancreatic epithelial cells into three-dimensional cystic-ductular structures containing insulin-secreting cells, wherein the pancreatic epithelial cells are isolated from fetal or adult pancreas. The Examiner contends that the specification does not support, explicitly or implicitly, pancreatic cells isolated from adult pancreas. Therefore, the Examiner concludes that the claimed methods relating to cells isolated from adult pancreas constitute new matter.

Applicants respectfully submit that the term "pancreatic cells", as defined on page 12, lines 23-28 of the specification, include progenitor cells, stem cells, duct cells or any other precursor cells. The specification further defines "progenitor cells" and "stem cells" as including, i.e., not limited to, any embryonic stem cell committed to a pancreatic cell lineage. Therefore, as would be understood by those skilled in the art, the pancreatic cells as defined in the specification would, at least implicitly, include cells from adult pancreas. There is absolutely no indication anywhere in the specification that the pancreatic cells are required to be of an embryonic or fetal origin. However, in an effort to expedite allowance of the present application, Applicants have amended the claims to delete the term "adult" from the claims. Applicants reserve the right to pursue methods relating to cells isolated from pancreas, including fetal and

adult pancreas, in a continuation application. As such, withdrawal of the rejection under 35 U.S.C. §112, first paragraph, is therefore respectfully requested.

In view of the foregoing amendment and remarks, it is respectfully submitted that the present application is in condition for allowance which action is earnestly solicited.

Respectfully submitted,



Xiaochun Zhu

Registration No. 56,311

Scully, Scott, Murphy & Presser  
400 Garden City Plaza-STE 300  
Garden City, New York 11530  
(516) 742-4343  
XZ:ab